

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6204

BILL NUMBER: HB 1026

NOTE PREPARED: Nov 19, 2003

BILL AMENDED:

SUBJECT: Licensure of Manicurist Instructors.

FIRST AUTHOR: Rep. Dickinson

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: The bill authorizes the Board of Cosmetology Examiners to license manicurist instructors and to charge a fee of \$40 for issuing or renewing a manicurist instructor license. It also establishes qualifications for a person to be licensed as a manicurist instructor.

Effective Date: July 1, 2004.

Summary of Net State Impact: The fiscal impact of this bill is dependent on the additional expenses needed to administer a new license or temporary work permit and number of potential applicants. This bill could increase expenditures for the Professional Licensing Agency by approximately \$440 to \$30,578, according to October 2002 data. Based on a potential estimated number of licensees from October 2002, this bill could increase revenues by approximately \$5,760. Updated data for 2003 has not been received.

Explanation of State Expenditures: The Professional Licensing Agency (PLA) could require additional expenditures in order to process the license for manicurist instructors. If an additional COMOT 3 position were added to administer the license, the impact would be \$30,578 in FY 2004 and \$29,931 in FY 2005. As of November 5, 2003, the PLA had 31 full-time staff members and 10 vacancies. The PLA also may experience additional expenditures for printing and postage. As of October 2003, the cost associated with forms, printing, sealing, and postage was approximately \$440 per thousand licenses or work permits issued.

The bill requires the applicant to have completed 1,000 hours of classes and to have practiced at least one year as a manicurist in a manicuring salon. As a cross-reference, the PLA reported that 5,933 manicurist licenses were active as of October 2002. It is currently unknown how many of the 5,933 licensees have practiced for at least one year in a manicuring salon.

With respect to cosmetology schools offering instructor training, it is reported that there are at least 60 different cosmetology schools in Indiana currently. The National Accrediting Commission of Cosmetology Arts & Science (NACCAS) reports only 22 of these schools meet the NACCAS standards for accreditation. Additionally, out of the 22 NACCAS-accredited schools, 18 offer course work in instruction for 1,000 plus hours of duration.

The following table lists the current number of NACCAS-accredited schools in states neighboring Indiana.

State	# of NACCAS-accredited Schools		# of NACCAS-accredited Schools offering instruction courses of 1,000 hours or more	
	2002	2003	2002	2003
Illinois	53	53	47	49
Ohio	47	48	16	15
Michigan	29	30	2	3
Kentucky	22	23	18	19

The total number of students currently enrolled in the theory and practice of instructor training courses is unavailable.

Explanation of State Revenues: As of October 2002, there were 30.5 licensed cosmetologists to every one licensed cosmetology instructor, or a ratio of 3.2%. If this ratio were applied to the current number of manicurist licenses, an estimated 190 (5,933 X .032) individuals could apply for the manicurist instructors license.

The bill requires a fee of \$40 for the cosmetology instructor license. If 190 individuals applied for a cosmetology instructor license, an estimated \$7,600 in revenue could be collected in fees.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Indiana Professional Licensing Agency, Board of Cosmetology Examiners.

Local Agencies Affected:

Information Sources: Indiana Professional Licensing Agency, State of Indiana HRM Detail Staffing Report; National Accrediting Commission of Cosmetology Arts & Science.

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